for such stamps are considered by the Philatelic Advisor Committee in the Department on the basis of specific guidelines and thereafter approved by Minister of Communications well in advance, keeping in view the time required for designing, printing and distribution of such stamps.

(b) Yes, Sir. However the proposal was received too late for consideration by the Philatelic Advisory Committee in its meeting in September, 1998.

(c) The proposal for a stamp on Rajsri Bhugyachandra of Manipur is still under consideration.

(d) Does not arise, in view of reply to part (c).

Fraudulent claim of Concessions by the Exporters

117. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the exporters are claiming more concessions by showing high value of goods being exported;

(b) if so, what steps Government propose to take to tackle this problem; and

(c) the number of such cases which has come to the notice of Government during the last three years alongwith the details thereof as also the action taken in each of the case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VENUR DHANANJAYA KUMAR): (a) Few instances of such concessions have come to the notice of the Government.

(b) In order to prevent such instances of claiming more consessions by showing high value of goods the Government have been periodically reviewing the export promotion schemes and taken various measures by putting restriction on such claims within the prescribed limit. These are:—

(i) A mechanism has been evolved whereby all exports which are entitled for a rate in excess of 15% under Duty Entitlement Pass Book Scheme, or 10% under Drawback Scheme, are subject to a maximum value cap which alone can be availed, irrespective of the export price declared by the exporters.

(ii) A mechanism for verification of Present Market Value (PMV) of export goods under the DEPB Scheme has been put in place whereunder the maximum export concession is restricted to 50% of the PMV. Likewise, in the Duty Drawback Scheme drawback is not admissible if the amount claimed is higher than the PMV.

(iii) A Directorate of Valuation has been set up under CBEC for collecting real time data on various commodities, collating and disseminating the same to varioius Customs Houses and this helps in checking any misdeclaration.

(iv) The examination precedures have also been tightened and all field formations alerted to step up intellegence and maintain greater vigil at all levels to prevent misuse of these schemes.

(v) Computerisation has been introduced in 18 major Custom Houses for electronic processing of consignments which, in turn, will facilitate in preventing misuse of the schemes.

(c) The number of such cases which have come to the notice of Government during the last three years alongwith details thereof as also the action taken for each category of cases is given in the enclosed statement.

Statement

Cases where more Concessions are claimed by Exporters by Showing Higher Value of Goods which have come to the Notice of the Government during the last 3 years (1997-98, 1998-99 and 1999-2000 - till October, 1999)

Sl.No	Type of cases	No. of cases	Amount of export concession or Custom Duty involved (Rs. In lakhs)	Action Taken
1	2	3	4	5
1.	Goods attempted to be exported at high value to obtain high drawback benefit	171	Over 4666.27	86 of these cases involving drawback amount of Rs. 484.91 lakhs have been adjudicated. In all these cases, goods confiscated were allowed to be redeemed against payment of redemption fine of Rs. 154.08 lakhs and personal penalties of Rs. 147.47 lakhs were also imposed. In 58 of these cases, drawback amount of Rs. 323.45 lakhs has also been denied. In 40 of these cases involving drawback amount of Rs. 506.60 lakhs, show cause notices have been issued for denial of drawback. In 4 of these, goods valued at Rs. 402.04 lakhs have also been seized; the respective show cause notices also propose confiscation of these goods. In 45 of these cases involving drawback amount of over Rs. 3675.76 lakhs, show cause notices are being issued.
2.	Fraudulent claims of drawback	3	73.81	In these cases, six persons were arrested for their alleged involvement. They have been released under Court's order. In one case, show cause notice has been issued. In two other cases, investigations are in progress.

1	2	3	4	5
3.	Goods attempted to be exported at high value to obtain high custom duty exemption under Duty Exemption Entitlement Certificate Scheme.	15	1097.85	3 of these cases have been adjudicated. Personal Penalty of Rs. 50,000 was imposed in each of these cases against the exporters. In one case, goods were seized and allowed to be redeemed on payment of redemption fine of Rs. 20,000. In one case, the benefit of custom duty exemption was disallowed to the exporter for future exports against the export consignment involved. In one case, a show cause notice has been issued to the exporter to disallow custom duty benefit for future import against the export consignment involved. In 11 cases, show cause notices have been issed to the exporters to restrict the concessions to the admissible levels.
4.	Goods attempted to be exported at high value to obtain high Duty Entitlement Pass Book benefit.	63	7405.64	7 of these cases involving total Duty Entitlement Pass Book (DEPB) benefit of Rs. 170.58 lakhs have been adjudicated. In these cases. confiscated goods were allowed to be redeemed on payment of redemption fine of Rs. 29.70 lakhs; personal penalties of Rs. 90.4 lakhs were also imposed in these cases. In 4 cases, involving DEPB benefit of Rs. 105.11 lakhs, DEPB benefit was reduced by Rs. 13.61. lakhs. In 5 cases, involving DEPB benefit of over Rs. 79.29 lakhs, DEPB benefit of Rs. 26 lakhs has already been surrendered by the alleged exporter. In one case, the concerned office of Director General of Foreign Trades has also been advised to take

1	2	3	4	5
				necessary action to stop further issue of DEPB Licences to the alleged exporter. In one case involving DEPB benefit of Rs.15.31 lakhs, goods with declared F.O.B. value of Rs. 66,50,944 which were attempted to be exported have been seized. Show cause notice has been issued for confiscation of these goods and denial of DEPB benefit. In 14 of these cases, involving DEPB benefit of Rs. 580.20 lakhs, show cause notice have been issued for re-determination of admissible DEPB benefit. In 25 cases, investigations are in progress. These cases involve total DEPB benefit in excess of Rs. 6290.15 lakhs. The precise amount of benefit involved is yet to be determined and the show cause notices are yet to be issued.
5.	Goods attempted to be exported at high value to simultaneously obtain high benefit under Duty Exemption Pass Book Scheme and Drawback Scheme.	7	1068.87	All these cases are presently under investigation. Necessary action as per the Customs Act shall be taken on completion of investigations.
6.	Goods removed from export processing zone at high value, as also mis-declaration of other particulars of the goods removed, to obtain high benefits available to goods produced in an export processing zone.	1	121.26	The case has been adjudicated. Goods were confiscated and allowed to be redeemed on payment of redemption fine of Rs. 5 lakhs. Personal penalty of Rs. 84 lakhs is also imposed.